**Remarks**

Rejections Under 35 U.S.C. §101

   Claims 1 – 15, 20 – 24, and 25 - 33 are rejected under 35 U.S.C. §101 on the basis of a two-prong test of:

   (1) whether the invention is within the technological arts; and

   (2) whether the invention produces a useful, concrete, and tangible result.

The Examiner asserted that the claims describe subject matter that is useful, concrete and tangible, but not within the technological arts. (*See* Office Action, Sep. 16, 2005 at 5).

   In the precedential decision Ex parte Lundgren, Bd. Pat. App. & Int., No. 2003-2088, 10/05, reported after the date of the Office Action, the Board determined that "there is no judicially recognized separate 'technological arts' test to determine patent eligible subject matter under § 101." (*Id.* at 9). As the Examiner indicated, the recited process "produces a useful, concrete, and tangible result," and therefore, under Lundgren, the claims cited are properly directed to statutory subject matter.

Rejections under 35 U.S.C. §102(b)

   Claims 1 – 17, 19 – 28, 31, 33 and 34 - 37 are rejected under 35 U.S.C. §102(b) as being anticipated by Maritzen *et al.* (U.S. Patent No. 5,987,429). Claims 1, 12-15, 20-26, 31, 34 and 37 are amended to more accurately describe Applicants' invention. Claims 38 and 39 are added. Applicants respectfully request reconsideration of the application, as amended, in view of the following remarks.

   Applicants' amended independent claims 1, 20 - 23, and 31 describe a system and method for "dynamic pricing of *at least one item in an order*" using both "static" and "dynamic" calculators. (Emphasis supplied; claim 1, ll. 1 – 3, 5; claim 20, ll. 1 – 3, 5; claim 21, ll. 1 – 3, 5; claim 22, ll. 1 – 3, 5; claim 23, ll. 1 – 3, 5, claim 31, ll. 2 - 3, 5). Amended independent claims 26 and 37 describe a method and computer product for performing dynamic pricing on "*at least one item in an order*" by performing both "static" and "dynamic" price calculations on the at least one item in the order. (Emphasis supplied, claim 26, ll. 1 – 3, 5; claim 37, ll. 2, 4, 6). Amended independent claims 24, 25 and 34 describe a system, method and computer product for dynamic pricing of "*at least one item in an order*" by first determining "*an initial price on the at least one item in the*

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*order*," then modifying that initial price with a dynamic calculator. (Emphasis supplied; claim 24, ll. 1 – 3; claim 25, ll. 1 – 3; claim 34, ll. 2, 4). Thus, all of Applicants' claims are directed toward determining the final price of an item or items in an order by applying at least one static and at least one dynamic calculator to make price modifications to the item, or by determining an initial price and then modifying that price with a dynamic calculator.

By contrast, Maritzen "calculates [a] tax or other fee" on a transaction only "[i]f a rule applies" to the transaction. (*See* Col 6, ll. 53 - 55). If the rule does apply, Maritzen "gets the appropriate fixed fee or a rate from the rule" and "applies the fixed fee to the [transaction] or calculates the tax fee or other fee by multiply[ing] the rate times the purchase price or other appropriate charge in the transaction." (*See* Col 8, ll. 14 - 17). Because the taxes and fees are computed only when the fee rule applies, Maritzen's system describes a dynamic calculation (one based on conditional rules). Moreover, these dynamic calculations are used to calculate taxes and fees due third parties, not to make price modifications to the transaction. (*See* Col 6, ll. 55 - 57).

Unlike Applicants, Maritzen does not apply any form of static calculator to the transaction. The only calculation disclosed in Maritzen not associated with a conditional rule is the accumulation of taxes or fees to be paid to governmental agencies or other third-party entities. Whenever the fee rule applies and a dynamic fee is calculated, Maritzen adds the fee, in a separate step, to the total fees due that agency or entity and pays them in a lump sum at a later time. (*See* Col 8, ll. 41 - 49). Even if this accumulation arguably can be considered a static calculation, it does not operate on the transaction or make price modifications to the order, as required by all of Applicants' independent claims. (Claim 1, ll. 3 – 6; claim 20, ll. 3 – 6; claim 21, ll. 3 – 6; claim 22, ll. 3 – 6; claim 23, ll. 3 – 6; claim 24, ll. 4 – 5; claim 25, ll. 3 – 7; claim 26, ll. 3 – 8; claim 31, ll. 3 – 6; claim 34, ll. 4 – 7; claim 37, ll. 4 - 9). Rather, this accumulator acts only on taxes and fees due third parties. Significantly, Maritzen discloses no static calculation that operates on the transaction itself.

Additionally, the Maritzen disclosure provides no method for determining "an initial price" for an item. Rather, in Maritzen, the initial price of each item is provided and must be individually entered into the object database, and then individually reentered

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if the price needs to be modified. (*See* Figure 3; Col 5, ll. 26 - 29). The system, method and computer product described by Applicants' independent claims 21, 23 - 25 and 34, by contrast, require determining "an initial price" for the order. (Claim 21, ll. 7 – 8; claim 23, ll. 7 – 8; claim 24, ll. 3; claim 25, ll. 3; claim 34, ll. 4).

Based on the foregoing discussion, Applicants believe the claims to be patentable over Maritzen.

Rejections under 35 U.S.C. §103(a)

Claims 18, 29, 30 and 32 are rejected under 35 U.S.C. §103(a) as being unpatentable over Maritzen and Uchimura.

Uchimura discloses a postal charge processing system that applies only dynamic rules based on weight, region and class to postal parcels to calculate postage. Certain of these parameters, such as destination region and postage class, are stored for reuse with postal parcels of differing weights. (*See* Col. 1, ll. 33 - 62).

Neither Maritzen or Uchimura teach, disclose or suggest, either alone or in combination, systems or methods for modifying the price of at least one item in an order using a static calculator, as required in independent claims 1, 20 - 23, 26, 31 and 37, or determining an initial price and then modifying that price with a dynamic calculator, as required by independent claims 21, 23 - 25 and 34. Because both of the cited references fail to recite required elements of the independent claims, they are incapable of establishing a *prima facie* case of obviousness.

Therefore, since neither of the cited references, either taken separately or in combination, teach or suggest Applicants' claimed invention, Applicants submit that the independent claims are patentable over the prior art. The dependent claims are similarly patentable as being dependent from patentable claims. Accordingly, Applicants assert that this application is in condition for allowance.

## Conclusion

Claims 1 through 39 are pending in this application. In view of the amendments and remarks set forth above, it is respectfully submitted that this application is in

condition for allowance.  Accordingly, Applicants respectfully request that the rejections be withdrawn and a timely Notice of Allowance be issued in this case.
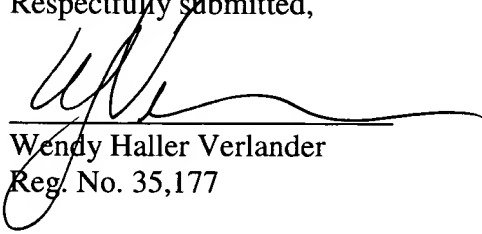
The Commissioner is hereby authorized to charge any fees or credit any over-payments to Deposit Account No. 08-0219 that may be due in connection with the filing of this response.

If the Examiner has any questions in regard to this Amendment and Response, or any other issue in this case, please call the below signed representative at (617) 526-6000.

Respectfully submitted,

Dated:  January 17, 2006

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